



MEMORANDUM

Date: July 26, 2022 File No.: 2184

To: **Julie Henderson**, Director
California Department of Pesticide Regulation
P.O. Box 4015
Sacramento, CA 95812-4015

From: **Department of General Services**
Office of Audit Services

Subject: **AUDIT REPORT: CONTRACTING PROGRAM**

This report presents the results of our audit of the California Department of Pesticide Regulation's (CDPR) contracting program. On July 3, 2020, the Director of the Department of General Services (DGS) signed Exemption Letter No. 74.7 which granted CDPR's request to process contracts without DGS review and approval. In brief, subject to a number of limitations, the exemption allows various types of contracts under \$150,000 to be processed without DGS review and approval during the four-year period of July 1, 2020 through June 30, 2024. As a condition of the exemption, two audits are required to be performed of CDPR's contracting program during the four-year exemption period. Based on CDPR's request, the DGS Office of Audit Services agreed to conduct the first audit required under the terms of the exemption.

The objective of our audit was to determine compliance with the terms and conditions of Exemption Letter No. 74.7. In general, the exemption requires that CDPR maintain an adequate and effective system of internal control over contracting and that the system be sufficient to ensure compliance with the state's contracting laws, policies, and procedures. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

Based on the results of our fieldwork conducted over the period March 29, 2022 through July 14, 2022, we concluded that CDPR is conducting its contracting program in compliance with the terms and conditions of its exemption. CDPR's contracting policies and procedures are sufficient to provide reasonable assurance of compliance with the state's contracting laws, policies, and procedures.

To determine compliance, we reviewed policies and procedures, tested a sample of contracts awarded during the 2020-21 and 2021-22 fiscal years, interviewed parties involved and performed other tests as deemed necessary.

We sincerely appreciated the cooperation and assistance provided by CDPR's personnel.

If you need further information on or assistance with this report, please call/e-mail me at (916) 376-5064/Dennis.Miras@dgs.ca.gov, or Eric Kim at (279) 946-8635/Eric.Kim@dgs.ca.gov.

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